



**CONWEST
EXPLORATION**
C O M P A N Y L I M I T E D

THIRTY-FIRST ANNUAL REPORT

December 31 — 1969

Thirty-First Annual Report

of

C O N W E S T

EXPLORATION COMPANY LIMITED

OFFICERS	F. M. CONNELL, O.B.E. - - - - - Chairman C. R. ELLIOTT - - - - - President W. H. CONNELL - - - - - Vice-President J. D. CHRISTIAN, C.B.E. - - - - Executive Vice-President M. P. CONNELL - - - - - Treasurer J. R. SCRIMGER - - - - - Secretary D. B. MacDERMOTT - - - - - Assistant Secretary
DIRECTORS	F. M. CONNELL, O.B.E. - - - - - Toronto, Ontario W. H. CONNELL - - - - - Spencerville, Ontario E. B. CONNELL - - - - - Spencerville, Ontario M. P. CONNELL - - - - - Toronto, Ontario J. D. CHRISTIAN, C.B.E. - - - - - Toronto, Ontario K. A. CREERY - - - - - Montreal, Quebec C. R. ELLIOTT - - - - - Bowmanville, Ontario S. E. JAMIESON - - - - - Toronto, Ontario I. F. T. KENNEDY - - - - - Toronto, Ontario
TRANSFER AGENT AND REGISTRAR	MONTREAL TRUST COMPANY - - - - - Toronto, Ontario
BANKERS	THE ROYAL BANK OF CANADA
AUDITORS	CLARKSON, GORDON & CO. - - - - - Toronto, Ontario
SOLICITOR	D. B. MacDERMOTT - - - - - Toronto, Ontario
ADMINISTRATIVE OFFICE	TENTH FLOOR, 85 RICHMOND STREET WEST - Toronto, Ontario
FIELD OFFICE	WHITEHORSE, Y.T.
ANNUAL MEETING	10:00 A.M., April 29, 1970 - - - - - Royal York Hotel Toronto, Ontario



Report of the Directors

To the Shareholders,
Conwest Exploration Company Limited.

Your directors submit the 31st Annual Report on the affairs of your company including your Auditors' Report, the balance sheet as at December 31, 1969, and the related statements of income and earned surplus and the statement of source and application of funds for the year ended on that date.

The Annual Report of Cassiar Asbestos Corporation Limited is appended for your information.

CASSIAR ASBESTOS CORPORATION LIMITED

Your company holds 550,100 shares of Cassiar Asbestos Corporation Limited.

During the year, Cassiar earned \$14,997,704 before deducting provision for waste removal costs, depreciation, amortization and other write-offs, aggregating \$6,544,781 and taxes payable for the year of \$2,165,000 less \$375,000 withdrawn from the Income Taxes Deferred account. The net profit for the year was \$6,662,923 or \$1.27 per share compared to \$4,832,392 or \$.92 per share in 1968.

The Cassiar Mill will be expanded during 1970 to enable it to produce 100,000 tons of fibre per year of present grades on a five day week compared to the present capacity on this basis of 75,000 tons. An additional grade of fibre will be recovered to further increase output. To finance the programme and purchase additional equipment for the Clinton Mill, Cassiar has recently arranged a private placement of 247,500 shares of its capital stock at \$20.00 per share which will provide it with \$4,950,000. After this issue, Cassiar's outstanding capital stock is 5,500,000 shares.

Dividends received from Cassiar during the year provided your company with an income of \$327,750.

Your attention is directed to the Cassiar report for full particulars of that company's operations.

JOREX LIMITED

Your company holds 80,000 shares of Jorex Limited representing approximately 6.0% of the outstanding capital stock of that company.

Jorex continued its programme of general exploration during 1969, conducting projects both on its own account and in co-operation with others in the Yukon, Northwest Territories, British Columbia, Saskatchewan, Manitoba, Ontario and Quebec.

SEVERN MINES LIMITED

Your company holds an option to explore 5 patented mining claims in the Setting Net Lake area of northwestern Ontario held by Severn Mines Limited. Some lead, zinc and silver values have been found associated with strong pyrite mineralization in acid volcanic rocks. An electromagnetic survey shows the pyrite zone to be a strong, persistent conductor. Further work to evaluate the property is planned.

WEST GRAHAM MINES LIMITED

Conwest holds 690,086 shares or 48% of the issued shares of West Graham Mines Limited. During 1969, twenty-two diamond drill holes were completed on the West Graham property in the Sudbury area. This drilling plus 6 holes drilled previously, indicated a tabular body of disseminated nickeliferous pyrrhotite-

chalcopryite mineralization along the west boundary of the property. This contains a core of 2½ million tons grading 0.38% Cu. and 0.63% nickel before allowances for recovery and dilution. Metallurgical studies were in progress at the year end and reports are awaited to determine the feasibility of mining the property.

BUFFALO RIVER EXPLORATION LIMITED

At December 31, 1969, your company held 1,021,792 shares of an issued capital of 2,566,987 shares. The company holds mining claims in the Pine Point area of the Northwest Territories, on one of which it has indicated by diamond drilling 1,350,000 tons of ore having an average grade of 3.4% lead and 9.6% zinc. During the year, an access road was completed to the orebody and 3,350 feet of diamond drilling were completed in the immediate vicinity of the ore and elsewhere on the claims. The drilling confirmed results of the previous exploration.

Kilborn Engineering Limited are currently examining the feasibility of production.

COPPERMINE RIVER AREA — NORTHWEST TERRITORIES

At year end, Conwest held the following interests in companies exploring claims in the Coppermine River area, Northwest Territories, including shares to be issued for monies expended on exploration or advanced to the project manager for that purpose:—

	Total Shares of the Companies Now Issued and to be Issued	Owned by Conwest
Coppermine River Limited	4,175,015	548,002
Teshierpi Mines Limited	2,000,005	200,000
Northville Explorations Limited	2,250,005	91,000
Bernack Coppermine Exploration Limited	2,080,005	333,360
East Coppermine Exploration Company Limited	1,401,959	356,468
Chance Mining and Exploration Company Limited	2,940,000	1,439,533

Exploration programmes consisting mainly of geophysical surveys of selected areas followed by diamond drilling when warranted, were carried out by all of the companies during 1969. No significant bodies of copper mineralization were found.

BASIN OIL EXPLORATION LIMITED

Your company holds 681,661 shares of Basin Oil Exploration Limited representing 62% of the outstanding capital stock of that company. At December 31, 1969, Basin had net current assets of \$430,021 consisting of cash, short term securities and shares of listed oil and mining companies valued at market. During the year, Basin participated in the exploration of claims in the Northwest Territories held by East Coppermine Exploration Company Limited. Basin will continue to participate in the exploration of mineral, oil and gas prospects.

CONISKA COPPER MINES LIMITED

Conwest holds a 50% interest in Coniska Copper Mines Limited. Coniska participated during 1969 in exploration of claims in the Coppermine River area held by East Coppermine Exploration Company Limited.

CONWEST EXPLORATION OVERSEAS LIMITED

Conwest Exploration Overseas Limited has issued and outstanding 1,900,000 shares of which your company holds 872,000 shares. Conwest Exploration Overseas Limited, through its wholly-owned subsidiary, Conwest (Australia) N.L., is carrying on a comprehensive programme of long term exploration in Australia. The major effort was again concentrated in Western Australia where work was carried out on several properties some of which warrant further exploration. Early in October, Poseidon N.L. announced the discovery of what appears to be a major nickel orebody located in the Laverton area of Western Australia. Conwest (Australia) N.L. was successful in staking a number of claims adjoining the Poseidon claims and apparently on strike of the find. Magnetometer surveys have confirmed the presence of a strong magnetic anomaly on the claims. Geological mapping and geochemical surveys are currently underway preliminary to a drilling programme.

The company's Australian staff has been augmented by three geologists including Mr. Kelly O'Connor from the Toronto staff who has been appointed resident exploration manager.

For the present, exploration will be primarily directed to Western Australia and particularly the nickel belts of that state but an increasing amount of attention will be devoted to other areas in Australia.

In order to finance the company's operations over the next several years and to provide a means for Australian participation, it has been decided to make a public offering in Australia. A new company, Conwest Exploration (Australia) N.L. will be incorporated with a capital of 7,500,000 shares with a par value of A\$1.00 each, to acquire all the shares of Conwest (Australia) N.L. for the issue of 3,600,000 shares of Conwest Exploration (Australia) N.L. Thereafter, Conwest Exploration Overseas Limited will subscribe for a further 400,000 shares of the new company at A\$400,000 to give it a total holding of 4,000,000 shares. A public offering of 1,250,000 shares to be underwritten in Australia, will provide the company with A\$1,250,000. After providing for organizational and underwriting costs, the new company will have a working capital of approximately A\$1,600,000 and an issued capital of 5,250,000 shares.

GENERAL EXPLORATION IN WHICH CENTRAL PATRICIA GOLD MINES LIMITED PARTICIPATED TO THE EXTENT OF 20%

British Columbia

Three groups of mineral claims staked as a result of prospecting in 1964-1965 are held in Northern British Columbia. Geological mapping, sampling and additional claim staking were carried out in 1969. A substantial programme of exploration consisting mainly of diamond drilling will be carried out on the claims during 1970 to evaluate geophysical anomalies associated with copper mineralization.

Conwest will conduct a prospecting programme in northern British Columbia and will again participate with other companies in a syndicate which is prospecting in the interior of British Columbia.

Yukon Territory

Two prospecting parties worked in the Yukon Territory during the year and a number of properties were examined. A substantial prospecting programme will be carried out in the Yukon during 1970.

Northwest Territories

Conwest participated in a syndicate which carried out geophysical surveys in the Artillery Lake area east of Yellowknife. Follow-up drilling was not warranted.

Conwest participated in trenching, mapping and sampling of a silver-lead-zinc occurrence near the Yukon-N.W.T. border. The mineralization proved to be discontinuous and the exploration programme was terminated.

An induced polarization survey is being conducted on an optioned group of claims in the Pine Point area. Newconex Canadian Exploration is sharing the costs of this survey.

Ontario

Conwest optioned and drilled a molybdenum occurrence in the Setting Net Lake area of Northwestern Ontario. Although mineralization occurs over a large area, assay results were discouraging and the option was abandoned.

Geophysical surveys are underway on claims acquired during 1969 in the Confederation Lake and Sturgeon Lake areas.

Elsewhere in Ontario, a programme of airborne geophysical prospecting is in progress.

Quebec

In Louvicourt Township in Quebec, geophysical surveys were carried out on optioned claims four miles east of the Soquem find. The survey results did not warrant follow-up drilling and the option was abandoned.

General

Your company maintains a capable exploration staff of engineers and geologists well supported by experienced prospectors, under the management of Mr. T. L. Horsley. The Directors express their appreciation of the faithful service they render the company.

On Behalf of the Board,

F. M. CONNELL,
Chairman.

C. R. ELLIOTT,
President.

Toronto, Ontario,
March 17, 1970.

Conwest Exploration Company Limited

STATEMENT OF INCOME AND EARNED SURPLUS

For the year ended December 31, 1969

(with comparative figures for the year 1968)

Income:	1969	1968
Dividends	\$ 679,889	\$ 713,762
Interest	186,364	182,048
Gain on sale of investments	3,797	39,246
Rental income		450
	<u>870,050</u>	<u>935,506</u>
Expense:		
General exploration (note 1)	242,344	204,551
General and administrative	168,971	147,619
Remuneration of directors including those holding salaried employment	61,733	58,133
Depreciation	4,517	2,146
	<u>477,565</u>	<u>412,449</u>
Less portion of expenditures recovered from other companies	101,710	107,404
	<u>375,855</u>	<u>305,045</u>
	<u>494,195</u>	<u>630,461</u>
Excess of net gain realized on disposal of interest in mining companies and properties over exploration write-offs and provision for losses of subsidiary companies (notes 1 and 2) ..	1,428,521	227,224
Net income for the year	<u>1,922,716</u>	<u>857,685</u>
Earned surplus at beginning of year	<u>13,243,805</u>	<u>12,686,120</u>
	<u>15,166,521</u>	<u>13,543,805</u>
Dividends totalling 12¢ per share	300,000	300,000
Earned surplus at end of year	<u>\$14,866,521</u>	<u>\$13,243,805</u>

Conwest Exploration Company Limited

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

For the year ended December 31, 1969
(with comparative figures for the year 1968)

Source of funds:	1969	1968
Income from investments	\$ 870,050	\$ 935,506
Proceeds from sale of shares in mining companies	3,900,805	927,557
Principal payments received on mortgages receivable and an agreement of sale	75,839	82,140
	<u>4,846,694</u>	<u>1,945,203</u>
Application of funds:		
Expended upon exploration and development of mining claims and properties including subscription to shares in and advances to other mining companies for exploration purposes	1,042,369	1,120,014
Purchase of shares in other mining companies	2,541,231	1,743,158
	<u>3,583,600</u>	<u>2,863,172</u>
Equipment purchases (sales)	6,278	(770)
Dividends paid	300,090	300,000
	<u>3,889,878</u>	<u>3,162,402</u>
Net increase (decrease) in working capital	956,816	(1,217,199)
Working capital at beginning of year	2,815,971	4,033,170
Working capital at end of year	<u>\$3,772,787</u>	<u>\$2,815,971</u>

Conwest Exploration

(Incorporated under the laws of the State of Nevada)

Balance Sheet —

(with comparative figures for 1968)

ASSETS

Current:	1969	1968
Cash	\$ 1,100,065	\$ 1,579,189
Short-term investments at cost plus accrued interest (approximately market)	2,588,183	1,171,068
Dividends and interest receivable	86,368	85,320
Accounts receivable	187,201	173,119
Advances for working funds	46,968	42,203
Prepaid expenses	8,738	8,685
Total current assets	4,017,523	3,059,584
Agreement for sale and mortgage receivable	7,058	82,897
Investment in mining companies and properties (note 1):		
Shares with quoted market value — at cost		
Cassiar Asbestos Corporation Limited (1969 — 550,100 shares; 1968 — 542,970 shares)	2,402,647	2,275,344
Other companies	5,169,305	5,364,858
(market value 1969 — \$16,921,297; 1968 — \$15,466,964)	7,571,952	7,640,202
Shares in Poseidon N.L. (Australian company) at cost (note 3)	343,518	
Other shares and advances at cost less amounts written-off	1,933,317	1,549,551
Subsidiary companies (note 2) —		
Shares at cost	1,224,264	1,224,864
Advances	418,606	399,027
	1,642,870	1,623,891
Less provision for losses	227,816	235,054
	1,415,054	1,388,837
Mining properties at cost and expenditures thereon	1,088,865	1,034,138
Total interest in mining companies and properties	12,352,706	11,612,728
Prospecting equipment and other fixed assets at cost less accumulated depreciation of \$46,561 (\$41,992 in 1968)	18,968	17,207
	<u>\$16,396,255</u>	<u>\$14,772,416</u>

Company Limited

(of Canada)

December 31, 1969

(for the year 1968)

LIABILITIES

Current:

	1969	1968
Accounts payable and accrued charges	\$ 94,736	\$ 93,613
Dividend payable	150,000	150,000
Total current liabilities	<u>244,736</u>	<u>243,613</u>

Capital and surplus:

Capital —

Authorized:

3,000,000 shares of no par value

Issued:

2,500,000 shares	1,284,998	1,284,998
Earned surplus	<u>14,866,521</u>	<u>13,243,805</u>
	<u>16,151,519</u>	<u>14,528,803</u>

On behalf of the Board:

C. R. ELLIOTT, Director.

J. D. CHRISTIAN, Director.

\$16,396,255

\$14,772,416

Conwest Exploration Company Limited

NOTES TO THE FINANCIAL STATEMENTS

December 31, 1969

1. Accounting policy

The company's policy is to write off all general exploration expenditures incurred during the year, including all overhead costs, and to capitalize the direct cost of acquisition and expenditure thereon of interests in mining companies and properties which were in good standing at the year end. Upon disposal or abandonment of such interests the net gain or loss is reflected in the statement of income and earned surplus.

As of January 1, 1969, in accordance with recommendations of the Accounting and Auditing Research Committee of the Canadian Institute of Chartered Accountants, the company has included the "Excess of net gain realized on disposal of interest in mining companies and properties over exploration write-offs and provision for losses of subsidiary companies" in its presentation of net income for the year. This change has been given retroactive effect by restating the 1968 figures to increase net income for the year by \$227,224.

2. Subsidiaries

In accordance with Section 121 of the Canada Corporation Act the following are the details relating to unconsolidated subsidiary companies:

- (a) The subsidiary companies' financial statements have not been consolidated because, in the opinion of management, such consolidation would be inappropriate. The assets of the subsidiary companies include cash and investments at market value less accounts payable aggregating \$702,233 in which the company's equity is \$419,502. The balance of the company's investment in subsidiary companies is represented by mining claims, properties, expenditures thereon and other deferred amounts, the value of which can only be determined through operation, sale or abandonment.
- (b) The company's proportion of the aggregate profits of subsidiaries for the respective financial periods coinciding with or ending in the financial period of the company totalled \$7,237, which has been treated in the statement of income and earned surplus as a reduction of provision for losses of subsidiary companies.
- (c) The aggregate of the losses less profits of the subsidiaries since their acquisition in addition to amounts written off the investment therein, is \$227,817.

3. Shares in Poseidon N.L.

The 47,500 shares held by the Company form part of an issue of 500,000 shares approved at a special meeting of Poseidon shareholders and under the terms of the issue, the shares cannot be sold or transferred prior to October, 1970. One shareholder has brought an action to set aside the allotment and issue of the shares. The action is being contested. Shares not subject to restriction as to sale had a quoted market value as at December 31, 1969 of \$273 per share.

Clarkson, Gordon & Co.
Chartered Accountants

Royal Trust Tower
P.O. Box 251 Toronto-Dominion Centre
Toronto 111, Canada

Halifax Saint John Quebec Montreal Ottawa
Toronto Hamilton Kitchener London Windsor
Thunder Bay Winnipeg Regina Calgary
Edmonton Vancouver Victoria

Arthur Young, Clarkson, Gordon & Co.
United States—Brazil

Telephone 368-2751 (Area Code 416)

AUDITORS' REPORT

To the Shareholders of
Conwest Exploration Company Limited:

We have examined the balance sheet of Conwest Exploration Company Limited as at December 31, 1969 and the statements of income and earned surplus and source and application of funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the company as at December 31, 1969 and the results of its operations and the source and application of its funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year after giving retroactive effect to the change in accounting presentation described in note 1 to the financial statements.

Clarkson, Gordon & Co.

Toronto, Canada,
March 2, 1970.

Chartered Accountants

Management and Exploration Personnel

GENERAL OFFICERS:

Chairman of the Board	-	-	-	-	-	-	-	-	-	-	-	F. M. CONNELL, O.B.E., LL.D.
President	-	-	-	-	-	-	-	-	-	-	-	C. R. ELLIOTT, C.A.
Executive Vice-President and Consulting Engineer	-	-	-	-	-	-	-	-	-	-	-	J. D. CHRISTIAN, C.B.E., B.A.Sc.
Vice-President	-	-	-	-	-	-	-	-	-	-	-	W. HAROLD CONNELL
Assistant to the President	-	-	-	-	-	-	-	-	-	-	-	S. K. BRIGHAM, B.A.Sc.
Treasurer	-	-	-	-	-	-	-	-	-	-	-	M. P. CONNELL
Secretary	-	-	-	-	-	-	-	-	-	-	-	J. R. SCRIMGER
Assistant Secretary and Solicitor	-	-	-	-	-	-	-	-	-	-	-	D. B. MacDERMOTT, B.Sc., LL.B.

EXPLORATION AND DEVELOPMENT DIVISION:

Manager	-	-	-	-	-	-	-	-	-	-	-	T. L. HORSLEY, B.A.Sc.
Chief Geologist	-	-	-	-	-	-	-	-	-	-	-	D. H. BUCHHOLZ, A.B., M.A.
Geologist	-	-	-	-	-	-	-	-	-	-	-	I. F. T. KENNEDY, B.Sc.
Geologist	-	-	-	-	-	-	-	-	-	-	-	C. K. O'CONNOR, B.A.Sc.
Geologist	-	-	-	-	-	-	-	-	-	-	-	RICHARD LARSON, B.Sc.
Whitehorse Office, Yukon Territory — Geologist	-	-	-	-	-	-	-	-	-	-	-	G. W. GRANT
Assistant to the Manager	-	-	-	-	-	-	-	-	-	-	-	K. G. MILLER
Mineral Claims Secretary	-	-	-	-	-	-	-	-	-	-	-	B. W. POPE
Accountant	-	-	-	-	-	-	-	-	-	-	-	J. F. HATCHER

OPERATING DIVISION:

CASSIAR ASBESTOS CORPORATION LIMITED

GENERAL OFFICERS:

Chairman of the Board	-	-	-	-	-	-	-	-	-	-	-	F. M. CONNELL, O.B.E., LL.D.
President	-	-	-	-	-	-	-	-	-	-	-	J. D. CHRISTIAN, C.B.E., B.A.Sc.
Vice-President and Secretary-Treasurer	-	-	-	-	-	-	-	-	-	-	-	C. R. ELLIOTT, C.A.
General Manager	-	-	-	-	-	-	-	-	-	-	-	J. G. BERRY, B.Sc.
Manager of Operations	-	-	-	-	-	-	-	-	-	-	-	A. C. BEGUIN, B.A.Sc.
Assistant to the President	-	-	-	-	-	-	-	-	-	-	-	S. K. BRIGHAM, B.A.Sc.
Consulting Engineer	-	-	-	-	-	-	-	-	-	-	-	T. T. TIGERT, B.A.Sc.
Assistant Secretary	-	-	-	-	-	-	-	-	-	-	-	J. R. SCRIMGER
Assistant Treasurer	-	-	-	-	-	-	-	-	-	-	-	M. G. MAZURKEWICH
Chief Accountant	-	-	-	-	-	-	-	-	-	-	-	M. J. HERZOG, C.A.

CASSIAR MINE, Cassiar, B.C.

General Superintendent	-	-	-	-	-	-	-	-	-	-	-	A. C. CARON
Production Superintendent	-	-	-	-	-	-	-	-	-	-	-	B. KOVACS, B.A.Sc.
Mine Superintendent	-	-	-	-	-	-	-	-	-	-	-	W. L. GIACHINO, B.A.Sc.
Mill Superintendent	-	-	-	-	-	-	-	-	-	-	-	J. J. LEES, B.Sc.
Project Superintendent	-	-	-	-	-	-	-	-	-	-	-	C. R. HARRIS, B.A.Sc.
Plant Superintendent	-	-	-	-	-	-	-	-	-	-	-	G. EDWARDS
Equipment Supervisor	-	-	-	-	-	-	-	-	-	-	-	W. ZEMENCHIK
Mechanical Supervisor	-	-	-	-	-	-	-	-	-	-	-	J. C. VELTMEYER
Electrical Supervisor	-	-	-	-	-	-	-	-	-	-	-	F. KLIMENT
Surface Supervisor	-	-	-	-	-	-	-	-	-	-	-	G. KAMLAH
Chief Engineer	-	-	-	-	-	-	-	-	-	-	-	J. ST. GEORGES, B.A.
Chief Geologist	-	-	-	-	-	-	-	-	-	-	-	W. N. PLUMB, B.E.M., B.A.Sc.
Senior Office Manager	-	-	-	-	-	-	-	-	-	-	-	J. H. THORNICROFT
Chief Mine Accountant	-	-	-	-	-	-	-	-	-	-	-	C. N. GANDER

CLINTON MINE, Yukon Territory

General Superintendent	-	-	-	-	-	-	-	-	-	-	-	J. R. MURDOCH, B.Sc.
Mine Superintendent	-	-	-	-	-	-	-	-	-	-	-	H. A. WOODY
Mill Superintendent	-	-	-	-	-	-	-	-	-	-	-	M. DE ROUIN, B.Sc.
Plant Superintendent	-	-	-	-	-	-	-	-	-	-	-	J. M. BELL
Equipment Supervisor	-	-	-	-	-	-	-	-	-	-	-	W. WAGNER
Mechanical Supervisor	-	-	-	-	-	-	-	-	-	-	-	P. J. WATTERS
Electrical Supervisor	-	-	-	-	-	-	-	-	-	-	-	R. O. HOFFMAN
Chief Engineer	-	-	-	-	-	-	-	-	-	-	-	J. G. DREWE, B.Sc.
Chief Mine Accountant	-	-	-	-	-	-	-	-	-	-	-	D. O. ACASON

TRANSPORT DIVISION, Whitehorse, Y.T.

General Superintendent	-	-	-	-	-	-	-	-	-	-	-	W. E. ROYDS, D.S.M., C.D., B.A.Sc.
Assistant General Superintendent	-	-	-	-	-	-	-	-	-	-	-	W. G. WHITEHOUSE
Operations and Maintenance Superintendent	-	-	-	-	-	-	-	-	-	-	-	J. L. ROBBINS
Accountant	-	-	-	-	-	-	-	-	-	-	-	K. J. MULLOY

ASBESTOS WHARF, North Vancouver, B.C.

Superintendent — Vancouver Operations	-	-	-	-	-	-	-	-	-	-	-	J. T. WARD
Wharf Supervisor	-	-	-	-	-	-	-	-	-	-	-	M. PHILLIPS
Purchasing Agent	-	-	-	-	-	-	-	-	-	-	-	K. B. SCRIMGER

Cassiar Asbestos Corporation Limited

Report of the Directors

To the Shareholders,
Cassiar Asbestos Corporation Limited:

Your directors have pleasure in presenting the eighteenth annual report on the affairs of your company including the consolidated balance sheet as at December 31, 1969, statements of consolidated operations, earned surplus and source and application of funds for the year ended on that date and your auditors' report thereon.

FINANCIAL

The profit from operations was \$14,997,704 before providing for depreciation, waste removal, and other write-offs aggregating \$6,544,781, leaving a net profit before income taxes of \$8,452,923. Provision for income taxes of \$2,165,000 for the current year less a credit of \$375,000 withdrawn from the income taxes deferred account, results in a net profit for the year of \$6,662,923 or \$1.27 per share as compared to \$4,832,392 earned in 1968 or \$0.92 per share.

During the year, at the Clinton Mine, capital expenditures for plant and equipment amounted to \$1,520,662 and waste removal cost \$1,396,342.

At the Cassiar Mine, plant and equipment renewal cost \$1,156,391 and waste removal cost \$2,555,898.

At Whitehorse and North Vancouver \$331,613 were expended on buildings and equipment.

Subsequent to the year end, your directors authorized the issuance of 222,750 shares to James Hardie Asbestos Limited and 24,750 shares to Raybestos-Manhattan, Inc. at a price of \$20.00 per share. Both companies are shareholders and major customers. This will increase the outstanding capital stock of the company to 5,500,000 shares, which is its authorized capital. The share issue will provide \$4,950,000 new capital which will be used for the expansion of the Cassiar mill and for additional equipment for the Clinton mill, which are referred to later in this report.

SALES

Fibre sales rose to a new high of 171,493 tons valued at \$37,188,930 compared with 124,728 tons valued at \$27,119,821 in 1968. Shipment of an additional 7,740 tons valued at \$1,613,520 scheduled for delivery in 1969 was delayed until early 1970 by the longshoremen's strike in Vancouver during October and November.

The market for both spinning and asbestos cement grade fibres was very strong throughout the year. There is every indication that 1970 will see a further increase in the volume of the company's sales of between fifteen and twenty percent. This will require the full capacity of both the Cassiar and Clinton mills. There are further indications that given reasonably stable economic conditions throughout the world the asbestos market will continue a steady growth. It is for this reason that your directors have authorized an expansion of the Cassiar mill and the provision of additional equipment in the Clinton mill. The physical development of both mines is now sufficiently advanced to warrant the higher rate of production.

CASSIAR MINE

Mine

During the year, 716,118 tons of ore were mined, of which 625,040 tons were treated in the rock rejection plant to eliminate 129,322 tons of rock. The untreated balance of 91,078 tons was principally selected high grade ore which is not amenable to this form of concentration. The resulting 495,718 tons of concentrate and 91,078 tons of untreated ore were delivered to the mill, 404,396 tons by tramline and 182,400 tons by truck.

A total of 3,173,266 tons of waste was removed from the orebody at a cost of \$2,555,898. It is the company's accounting policy to capitalize the cost of waste removal. The waste is related to sections of ore released for mining by its removal, and the cost is apportioned accordingly. As the ore is mined from a "section" or "mining phase", the appropriate proportion of waste removal is written off as a part of the ore mining cost. On this basis, the waste charge against the ore currently being mined is \$1.68 per ton.

The shear blasting technique now being tested is proving quite successful. If this trend continues, it will be possible to steepen the slope of the pit walls to approximately 45°, which in time will result in a reduction in the deferred waste removal account.

Productivity in both the mine and mill was satisfactory but an increase in the cost of labour and supplies resulted in slightly higher overall unit costs.

Mill

The mill treated 612,814 tons of ore and concentrate and produced 79,591 tons of fibre. Preliminary planning of the mill expansion has been completed and the construction contract has been let. The new unit is expected to be on stream in December 1970 and will increase the annual capacity from 75,000 to 100,000 tons of the present grades on a five-day week. In addition, approximately 10,000 tons of a new short grade (AZ) will be produced. The estimated cost of the mill expansion is \$4,300,000. General operating and maintenance conditions will be considerably improved and some reduction in cost should result.

Ore Reserves

The probable ore reserves within the presently planned pit limits and to a depth of 340 feet below the lower adit are estimated at 24,250,000 tons. No diamond drilling or other exploration work was done during the year.

Training Programme

The training programme has improved the quality of workmanship and has been of considerable assistance in overcoming the shortage of skilled tradesmen. A similar programme will be introduced into the Clinton Mine during 1970.

CLINTON MINE

Mine

During the year, 1,012,937 tons of ore were mined and delivered to the mill by the tramline. There were 52,506 tons rejected. The rock rejection plant was bypassed for the greater part of the year.

A total of 3,410,710 tons of waste was removed at a cost of \$1,396,342. The write-off of this waste is handled in the same fashion as at Cassiar and in 1969, the charge against each ton of ore mined was \$1.10.

Mill

The mill treated 952,889 tons of ore and produced 87,820 tons of fibre. Improved rock rejection was achieved at the head end of the mill after secondary crushing by the addition of a number of rock screens. As a result, the fibre capacity of the mill was not affected by the elimination of the rock rejection circuit.

Both the quantity and the quality of the fibre produced was up to expectation. A number of changes and additions to the circuits are being made to increase the annual capacity in 1970 to approximately 100,000 tons of fibre. It is expected that a limited tonnage of spinning fibre will be produced during 1970.

Ore Reserves

The probable ore reserves to a depth of 200 feet below the adit are estimated at 22,000,000 tons. No diamond drilling or other exploration work was carried out during the year. Fibre recovery is running in excess of nine percent and it appears that the original estimates were on the conservative side.

Townsite

During the summer, residents were busy cleaning up and landscaping around their new homes with very rewarding results. A nurses' residence, a sixteen-room single women's residence, and a forty-room men's residence were under construction at the year end.

TRANSPORT DIVISION

The Transport Division, based at Whitehorse, was able to handle the additional production from both mines with the existing fleet of trucks.

The lack of a bridge over the Yukon River at Dawson presented a major problem in the fall of the year. The ferry was removed late in October and due to the mild winter, an ice bridge was not completed until mid-February. During this period, the Skyline was used to full capacity and surplus tonnage from the Clinton Mine was shipped through Alaska.

The longshoremen's strike in Vancouver resulted in an accumulation of approximately 13,000 tons of fibre in Whitehorse. North American customers were supplied by an alternate route through Alaska for the Clinton fibre and through Fort St. John for the Cassiar fibre. Where required, advance shipments were made to overseas customers prior to the strike. The Whitehorse accumulation was cleared in early January. It is estimated that the additional cost arising from these disruptions exceeded \$500,000.

ASBESTOS WHARF

Disruptions to the shipping schedule due to the longshoremen's strike placed a heavy burden on the facilities and personnel at the wharf. It is expected that schedules will be back to normal by the end of the first quarter.

KUTCHO CREEK ASBESTOS COMPANY LIMITED

A limited amount of trenching and geological work will be undertaken in 1970 on the southeast and northwest zones that were located in 1966. The announcement that the Pacific Great Eastern are planning to construct a railroad into the Dease Lake area in the near future will justify an early review of the potential of this property.

GENERAL EXPLORATION

The long-term exploration programme in northern British Columbia and the Yukon Territory of selected areas was continued. No showings of economic interest were found. An investigation of other areas will be undertaken in 1970. Work on the silver, lead, zinc claims northeast of Watson Lake in the Northwest Territories under option to Conwest Exploration Company Limited disclosed nothing of commercial interest and the option was dropped.

RESEARCH

The research programme is continuing and has proven of considerable value in keeping the company abreast of new developments.

LABOUR

The collective bargaining agreement between the Company and the United Steelworkers of America Local 6536, Cassiar, B.C., Local 564, Clinton Creek, Y.T., and Local 925, Whitehorse, Y.T. expires September 30, 1970.

ACKNOWLEDGEMENTS

The co-operation received from the Alaska Government, the Alaska Railroad and others involved in providing temporary alternate shipping facilities for a portion of the Clinton Mine fibre during the fall and early winter season is gratefully acknowledged. This assistance was a substantial factor in averting a shut-down of the operation.

The close working relationship with the White Pass and Yukon Route, which has been developed over the years, once again proved most helpful.

The directors also express their appreciation to the staff and employees of all divisions for their loyalty and effort in achieving the scheduled objectives.

On Behalf of the Board,

F. M. CONNELL,
Chairman.

J. D. CHRISTIAN,
President.

Toronto, Canada,
March 16, 1970.

Clarkson, Gordon & Co.

Chartered Accountants

Royal Trust Tower
P.O. Box 251 Toronto-Dominion Centre
Toronto 111, Canada

Halifax Saint John Quebec Montreal Ottawa
Toronto Hamilton Kitchener London Windsor
Thunder Bay Winnipeg Regina Calgary
Edmonton Vancouver Victoria

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AUDITORS' REPORT

To the Shareholders of
Cassiar Asbestos Corporation Limited:

We have examined the consolidated balance sheet of Cassiar Asbestos Corporation Limited and its subsidiaries as at December 31, 1969 and the statements of consolidated operations and earned surplus and consolidated source and application of funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these consolidated financial statements present fairly the financial position of the companies as at December 31, 1969 and the results of their operations and the source and application of their funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year after giving retroactive effect to the adjustment of deferred income taxes referred to in note 7 to the financial statements.

Clarkson Gordon & Co.

Chartered Accountants

Toronto, Canada,
March 10, 1970.

Cassiar Asbestos Corporation Limited

and its subsidiaries

STATEMENTS OF CONSOLIDATED OPERATIONS AND EARNED SURPLUS

For the Year Ended December 31, 1969
(with comparative figures for the year 1968)

OPERATIONS

	1969	1968 (restated)
Revenue:		
Asbestos fibre sales	\$37,188,930	\$25,212,789
Other sales	313,182	151,000
Investments	25,048	116,973
	<u>37,527,160</u>	<u>25,480,762</u>
Expenses:		
Cost of sales (note 1)	17,817,211	12,089,896
Transportation to Vancouver and warehousing (note 1) ...	8,466,446	4,947,327
Administration, selling and general expenses	1,735,458	1,180,981
Remuneration of directors, including those holding salaried employment	93,000	82,113
Exploration and research expenses	249,030	131,037
Interest on borrowings	709,636	481,515
	<u>29,070,781</u>	<u>18,912,869</u>
	8,456,379	6,567,893
Minority interest in profit (loss) of subsidiary	3,456	(4,499)
Profit before income taxes	<u>8,452,923</u>	<u>6,572,392</u>
Income taxes:		
Current	2,165,000	1,395,000
Deferred (note 4)	(375,000)	345,000
	<u>1,790,000</u>	<u>1,740,000</u>
Net profit for the year	<u>\$ 6,662,923</u>	<u>\$ 4,832,392</u>
Earnings per share	<u>\$ 1.27</u>	<u>\$.92</u>

EARNED SURPLUS

Balance at beginning of year as previously reported	\$13,511,182	\$12,385,290
Adjustment of prior year's income (note 7)	555,000	
Balance at beginning of year as restated	14,066,182	12,385,290
Net profit for the year	6,662,923	4,832,392
	<u>20,729,105</u>	<u>17,217,682</u>
Dividends totalling 60¢ per share	3,151,500	3,151,500
Balance at end of year	<u>\$17,577,605</u>	<u>\$14,066,182</u>

Cassiar Asbestos Corporation Limited

and its subsidiaries

STATEMENT OF CONSOLIDATED SOURCE AND APPLICATION OF FUNDS

For the Year Ended December 31, 1969
(with comparative figures for the year 1968)

	<u>1969</u>	<u>1968</u> (restated)
Working capital (deficiency) (current assets less current liabilities) beginning of year	<u>\$ (3,551,737)</u>	<u>\$ 1,942,709</u>
Source of funds:		
Operations —		
Net profit	6,662,923	4,832,392
Waste removal costs amortized	2,317,309	1,774,290
Preproduction costs amortized	627,141	264,158
Outside exploration costs written off	163,349	46,632
Depreciation	3,436,982	3,136,853
Income taxes deferred to future years	(375,000)	345,000
	<u>12,832,704</u>	<u>10,399,325</u>
Special refundable tax recoverable	33,761	124,239
Minority interest in consolidated subsidiary	3,456	232,956
	<u>12,869,921</u>	<u>10,756,520</u>
Application of funds:		
Plant and equipment (net) —		
Cassiar Mine	1,156,391	470,133
Clinton Mine	1,520,662	3,297,777
Transport Division	294,652	165,271
Asbestos Wharf	1,931	7,857
Whitehorse	35,030	415,952
Waste removal costs —		
Cassiar Mine	2,555,898	2,307,866
Clinton Mine	1,396,342	1,453,714
Preproduction costs — Clinton Mine		743,255
	<u>6,960,906</u>	<u>8,861,825</u>
Outside exploration costs	182,760	66,948
Long term debt retired		275,000
Non-current assets (net) of acquired subsidiary		95,173
Purchase of investments		520
Dividends	3,151,500	3,151,500
	<u>10,295,166</u>	<u>12,450,966</u>
Increase (decrease) in working capital during year	2,574,755	(1,694,446)
6% bank loan due July 1, 1969 shown at December 31, 1967 as long term debt transferred to current liabilities during 1968		3,800,000
Net increase (decrease) in working capital	2,574,755	(5,494,446)
Working capital (deficiency) end of year	<u>\$ (976,982)</u>	<u>\$(3,551,737)</u>

CASSIAR ASBESTOS CO.

(Incorporated under the
and its

Consolidated Balance Sheet

(with comparative figures)

ASSETS

	1969	1968 (restated)
Current:		
Accounts receivable	\$ 6,596,225	\$ 3,058,729
Special refundable tax recoverable	33,761	42,732
Asbestos fibre at cost	3,998,167	4,716,059
Ore stockpiled at cost	293,395	427,312
Inventory of supplies — valued at laid-down cost	2,818,388	2,750,488
Prepaid expenses	198,356	110,626
Total current assets	<u>13,938,292</u>	<u>11,105,946</u>
Investments:		
Investments at cost plus accrued interest (market value 1969 — \$271,542; 1968 — \$312,917)	400,313	400,313
Special refundable tax		33,761
	<u>400,313</u>	<u>434,074</u>
Fixed (at cost — notes 1 and 6):		
Mine plant and equipment	35,181,168	32,977,248
Automotive equipment	7,761,012	7,278,045
Asbestos Wharf — leasehold improvements, buildings and equipment	1,450,346	1,448,415
Whitehorse — buildings and equipment	1,063,857	1,030,935
Roads	186,815	186,815
	<u>45,643,198</u>	<u>42,921,458</u>
Less accumulated depreciation	16,972,111	13,811,866
	<u>28,671,087</u>	<u>29,109,592</u>
Deferred:		
Mining claims and properties at cost (note 2)	2,768,372	2,777,964
Exploration, development and other preproduction expendi- tures less amounts written off (notes 1 and 2)	6,103,882	6,691,830
Waste removal costs less amounts written off (note 1)	14,355,818	12,720,888
	<u>23,228,072</u>	<u>22,190,682</u>
	<u>\$66,237,764</u>	<u>\$62,840,294</u>

CORPORATION LIMITED

(Canada Corporations Act)

Subsidiaries

at—December 31, 1969

(for the year 1968)

LIABILITIES

	1969	1968 (restated)
Current:		
Bank indebtedness (note 3)	\$ 9,365,451	\$ 6,244,217
6% bank loan due July 1, 1969 (unsecured)		3,800,000
Accounts payable and accrued charges	2,305,325	2,152,226
Dividend payable January 30, 1970 (January 29, 1969) ...	787,875	787,875
Taxes payable	2,456,623	1,598,365
Current portion of purchase contract		75,000
Total current liabilities	14,915,274	14,657,683
Income taxes deferred (note 4)	9,555,000	9,930,000
Minority interest in subsidiary	236,412	232,956
Shareholders' equity:		
Capital —		
Authorized: 5,500,000 shares without nominal or par value		
Issued: 5,252,500 shares	23,953,473	23,953,473
Earned surplus	17,577,605	14,066,182
	41,531,078	38,019,655
On behalf of the Board:		
J. D. CHRISTIAN, Director		
C. R. ELLIOTT, Director		
	\$66,237,764	\$62,840,294

Cassiar Asbestos Corporation Limited

and its subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 1969

1. **Depreciation and amortization**

The basis of amortization and depreciation is as follows:

Depreciation —

Buildings — 5% per annum on cost

Equipment — 10% per annum on cost

Automotive equipment cost is charged to operations at a uniform rate over the estimated useful life applied on a unit basis.

During the year the depreciation charged to operations amounted to \$3,436,982 (1968 — \$3,136,853).

Amortization of waste removal expenditures —

Waste removal costs are charged to operations on a per ton of ore mined basis, the rate being determined by dividing the cost of waste removal by the estimated tons of ore to be released. During the year waste removal costs charged to cost of production amounted to \$2,317,309 (1968 — \$1,774,290).

Amortization of preproduction expenditures —

Preproduction expenditures are amortized on a per ton basis, the rate being determined by the estimated ore reserves.

During the year preproduction costs charged to cost of production amounted to \$627,141 (1968 — \$264,158).

2. **Exploration expenditures**

The companies' policy is to write off all general exploration expenditures incurred during the year and to capitalize the direct costs of acquisition and expenditure thereon in mining properties which were in good standing at the year end. Upon disposal or abandonment of such interest the net gain or loss is reflected in the statement of income.

3. **Bank credit**

The company has established a line of credit pursuant to section 88 of the Bank Act secured by a general assignment of accounts receivable and inventories of asbestos fibre, ore and supplies in the aggregate amount of \$10,300,000.

4. **Income taxes deferred**

The company follows the income tax allocation method of accounting for all differences in the timing of deductions for tax and accounting purposes arising from depreciation, waste removal costs, and exploration and development expenditures. "Income taxes deferred" of \$9,555,000 on the balance sheet represents income tax reductions which arose in prior periods by claiming for tax purposes such items in excess of the amounts recorded in the accounts.

5. **Consolidated subsidiaries**

Cassiar Asbestos (Alaska) Inc. — 100% owned

Kutcho Creek Asbestos Company Limited — 100% owned

Territorial Supply Company Limited — 75% owned

During the year the company formed Cassiar Asbestos (Alaska) Inc. with an authorized capital of 200,000 shares with a par value of \$1.00 each of which 1,000 shares were issued.

6. **Fixed assets**

Since the year end the company has entered into contracts and commenced construction of a mill expansion at the Cassiar Mine. Total cost is estimated at \$4,300,000 and completion is scheduled for December 1970.

7. **Restatement of 1968 accounts**

The 1969 accounts reflect a prior year's adjustment (credit) to earned surplus in the amount of \$555,000 representing a withdrawal from the "Income taxes deferred" account for the tax credit relative to depreciation and amortization charged against the operation of the Clinton mine between April 1, 1968, (the commencement of the tax-free period) and December 31, 1968. The 1968 comparative figures have been restated to give retroactive effect to this adjustment with the result that the net profit for 1968 shown in the accompanying statements is \$555,000 higher than that reported a year ago.

Cassiar Asbestos Corporation Limited

SUMMARY OF CONSOLIDATED OPERATIONS

For the Year Ended December 31, 1969

(with comparative figures for the year 1968)

	1969			1968				
	Total	Clinton Mine	Cassiar Mine	Subsidiary company	Total	Clinton Mine (9 months)	Cassiar Mine	Subsidiary company
Asbestos fibre sales								
Total sales		171,493	\$37,188,930			124,728	\$27,119,821	
Sales of fibre produced at Clinton Mine prior to April 1, 1968, credited to preproduction expenditures						11,028	1,907,032	
Sales as per statement of operations		171,493	\$37,188,930			113,700	\$25,212,789	
Revenue:								
Asbestos fibre sales	\$37,188,930	\$16,335,487	\$20,853,443		\$25,212,789	\$7,973,061	\$17,239,728	
Other sales	313,182			\$ 313,182	151,000			\$ 151,000
Investments	25,048		25,048		116,973		116,973	
	37,527,160	16,335,487	20,878,491	313,182	25,480,762	7,973,061	17,356,701	151,000
Expenses:								
Cost of sales	17,817,211	8,050,894	9,509,768	256,549	12,089,896	4,321,538	7,620,882	147,476
Transportation to Vancouver and warehousing	8,466,446	4,408,882	4,057,564		4,947,327	1,894,348	3,052,979	
Administration, selling and general expenses	1,735,458	763,909	928,739	42,810	1,180,981	362,523	796,938	21,520
Remuneration of directors, including those holding salaried employment	93,000	41,200	51,800		82,113	24,571	57,542	
Exploration and research expenses	249,030		249,030		131,037		131,037	
	28,361,145	13,264,885	14,796,901	299,359	18,431,354	6,602,980	11,659,378	168,996
Minority interest in profit (loss) of subsidiary	9,166,015	3,070,602	6,081,590	13,823	7,049,408	1,370,081	5,697,323	(17,996)
Profit (loss) before interest expense and income taxes	3,456			3,456	(4,499)			(4,499)
	\$ 9,162,559	\$ 3,070,602	\$ 6,081,590	\$ 10,367	\$7,053,907	\$1,370,081	\$ 5,697,323	\$ (13,497)

CASSIAR ASBESTOS CORPORATION LIMITED—TEN YEAR REVIEW

	1969	1968	1967
Ore mined (tons)	1,729,053	1,798,284	1,029,474
Ore and concentrate milled (tons)	1,565,703	1,287,107	756,787
Fibre produced (tons)	167,411	140,021	92,093
Waste removed (tons)	6,583,976	6,289,136	4,125,054
Sales	\$37,188,930	\$27,119,821	\$21,023,006
Profit before deducting the following	14,997,704	11,794,325	10,116,004
Depreciation	3,436,982	3,136,853	1,492,336
Exploration and development written off	3,107,799	2,085,080	1,798,483
Net earnings before taxes	8,452,923	6,572,392	6,825,185
Provision for current taxes	2,165,000	1,395,000	500,000
Provision for deferred taxes	(375,000)	345,000	2,150,000
Net Earnings	\$ 6,662,923	\$ 4,832,392	\$ 4,175,185
Net earnings per share	\$ 1.27	92¢	79½¢
Dividends declared per share	60¢	60¢	60¢
CAPITAL EXPENDITURES:			
Land, Plant and Equipment	\$ 3,008,666	\$ 4,356,990	\$11,756,202
Mine development — Cassiar	2,555,898	2,307,866	2,801,594
— Clinton	1,396,342	2,196,969	2,072,857
Outside exploration	182,760	66,948	197,892
BALANCE SHEET — AT END OF FISCAL PERIOD:			
Net working capital and Investments	\$ (576,669)	\$ (3,117,663)	\$ 2,500,502
Territorial Supply Company Limited	— *	— *	175,000
Plant and Equipment	45,643,198	42,921,458	38,361,730
Mining Claims and Properties	2,768,372	2,777,964	2,695,315
Deferred development	20,459,700	19,412,718	16,945,303
Total	68,294,601	61,994,477	60,677,848
Deduct — Long term bank loan	—	—	4,000,000
— Purchase contract payable	—	—	75,000
— Deferred taxes	9,555,000	9,930,000	9,585,000
— Accumulated depreciation	16,972,111	13,811,866	10,679,085
— Minority interest in subsidiary	236,412*	232,956*	—
Shareholders' equity	\$41,531,078	\$38,019,655	\$36,338,763
Shares of capital stock issued at end of period	5,252,500	5,252,500	5,252,500

* Included as subsidiary

Years ended	December 31				15 Months Oct. 1, 1960 to Dec. 31, 1961	Year ended Sept. 30 1960
1966	1965	1964	1963	1962		
901,650	743,765	705,205	756,574	720,416	674,791	471,561
706,492	613,404	587,908	588,733	569,571	581,835	457,379
87,900	85,432	66,897	62,214	57,568	56,556	38,838
4,299,373	4,542,457	3,464,705	2,824,197	2,357,623	2,550,035	1,949,282
20,393,363	\$17,526,197	\$14,466,691	\$13,882,535	\$12,665,656	\$14,593,795	\$10,365,953
9,841,812	8,498,620	7,336,746	6,682,009	6,179,710	6,934,758	5,313,166
1,439,523	1,134,471	1,093,058	1,054,740	1,091,772	1,307,529	979,112
1,616,523	1,295,677	1,265,226	1,427,461	1,038,733	1,067,076	535,468
6,785,766	6,068,472	4,978,462	4,199,808	4,049,205	4,560,153	3,798,586
765,000	1,310,000	1,185,000	950,000	950,000	600,000	385,000
1,875,000	1,070,000	765,000	660,000	650,000	1,130,000	1,060,000
\$ 4,145,766	\$ 3,688,472	\$ 3,028,462	\$ 2,589,808	\$ 2,449,205	\$ 2,830,153	\$ 2,353,586
87¢	77¢	76½¢	65¢	62¢	71¢	59¢
60¢	60¢	60¢	60¢	60¢	75¢	60¢
\$ 8,881,995	\$ 2,739,710	\$ 1,962,105	\$ 1,391,630	\$ 518,235	\$ 1,359,994	\$ 1,473,876
2,508,192	2,715,778	2,259,102	2,442,363	2,007,698	2,288,921	1,245,868
2,719,191	737,708	305,250	117,858	—	—	—
269,778	21,656	25,348	40,840	29,593	270,623	230,449
\$ 3,194,817	\$11,437,161	\$ 3,497,143	\$ 3,898,855	\$ 4,512,588	\$ 4,213,321	\$ 4,570,513
175,000	175,000	225,000	275,000	275,000	275,000	350,000
26,720,300	18,115,007	15,827,789	14,615,849	13,606,270	13,337,576	12,432,854
2,630,491	2,599,956	2,590,712	2,308,596	2,371,505	2,423,168	2,318,961
13,737,213	9,864,030	7,693,810	6,371,453	5,133,445	4,196,939	2,808,678
46,457,821	42,191,154	29,834,454	27,469,753	25,898,808	24,446,004	22,481,006
—	—	—	—	—	—	—
150,000	225,000	300,000	—	—	—	—
7,435,000	5,560,000	4,490,000	3,725,000	3,065,000	2,415,000	1,285,000
9,302,471	8,116,570	7,434,592	6,787,353	6,090,216	5,360,617	4,385,772
—	—	—	—	—	—	—
\$29,570,350	\$28,289,584	\$17,609,862	\$16,957,400	\$16,743,592	\$16,670,387	\$16,810,234
4,775,000	4,775,000	3,960,000	3,960,000	3,960,000	3,960,000	3,960,000

Cassiar Asbestos Corporation Limited

Management and Operating Personnel

GENERAL OFFICERS

Chairman of the Board	-	-	-	-	-	-	-	F. M. CONNELL, O.B.E., LL.D.
President	-	-	-	-	-	-	-	J. D. CHRISTIAN, C.B.E., B.A.Sc.
Vice-President and Secretary-Treasurer	-	-	-	-	-	-	-	C. R. ELLIOTT, C.A.
General Manager	-	-	-	-	-	-	-	J. G. BERRY, B.Sc.
Manager of Operations	-	-	-	-	-	-	-	A. C. BEGUIN, B.A.Sc.
Assistant to the President	-	-	-	-	-	-	-	S. K. BRIGHAM, B.A.Sc.
Consulting Engineer	-	-	-	-	-	-	-	T. T. TIGERT, B.A.Sc.
Assistant Secretary	-	-	-	-	-	-	-	J. R. SCRIMGER
Assistant Treasurer	-	-	-	-	-	-	-	M. G. MAZURKEWICH
Chief Accountant	-	-	-	-	-	-	-	M. J. HERZOG, C.A.

OPERATING DIVISIONS

CASSIAR MINE, Cassiar, B.C.

General Superintendent	-	-	-	-	-	-	-	A. C. CARON
Production Superintendent	-	-	-	-	-	-	-	B. KOVACS, B.A.Sc.
Mine Superintendent	-	-	-	-	-	-	-	W. L. GIACHINO, B.A.Sc.
Mill Superintendent	-	-	-	-	-	-	-	J. J. LEES, B.Sc.
Project Superintendent	-	-	-	-	-	-	-	C. R. HARRIS, B.A.Sc.
Plant Superintendent	-	-	-	-	-	-	-	G. EDWARDS
Equipment Supervisor	-	-	-	-	-	-	-	W. ZEMENCHIK
Mechanical Supervisor	-	-	-	-	-	-	-	J. C. VELTMEYER
Electrical Supervisor	-	-	-	-	-	-	-	F. KLIMENT
Surface Supervisor	-	-	-	-	-	-	-	G. KAMLAH
Chief Engineer	-	-	-	-	-	-	-	J. ST. GEORGES, B.A.
Chief Geologist	-	-	-	-	-	-	-	W. N. PLUMB, B.E.M., B.A.Sc.
Senior Office Manager	-	-	-	-	-	-	-	J. H. THORNICROFT
Chief Mine Accountant	-	-	-	-	-	-	-	C. N. GANDER

CLINTON MINE, Yukon Territory

General Superintendent	-	-	-	-	-	-	-	J. R. MURDOCH, B.Sc.
Mine Superintendent	-	-	-	-	-	-	-	H. A. WOODY
Mill Superintendent	-	-	-	-	-	-	-	M. DE ROUIN, B.Sc.
Plant Superintendent	-	-	-	-	-	-	-	J. M. BELL
Equipment Supervisor	-	-	-	-	-	-	-	W. WAGNER
Mechanical Supervisor	-	-	-	-	-	-	-	P. J. WATTERS
Electrical Supervisor	-	-	-	-	-	-	-	R. O. HOFFMAN
Chief Engineer	-	-	-	-	-	-	-	J. G. DREWE, B.Sc.
Chief Mine Accountant	-	-	-	-	-	-	-	D. O. ACASON

TRANSPORT DIVISION, Whitehorse, Y.T.

General Superintendent	-	-	-	-	-	-	-	W. E. ROYDS, D.S.M., C.D., B.A.Sc.
Assistant General Superintendent	-	-	-	-	-	-	-	W. G. WHITEHOUSE
Operations and Maintenance Superintendent	-	-	-	-	-	-	-	J. L. ROBBINS
Accountant	-	-	-	-	-	-	-	K. J. MULLOY

ASBESTOS WHARF, North Vancouver, B.C.

Superintendent—Vancouver Operations	-	-	-	-	-	-	-	J. T. WARD
Wharf Supervisor	-	-	-	-	-	-	-	M. PHILLIPS
Purchasing Agent	-	-	-	-	-	-	-	K. B. SCRIMGER

